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Message Text

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ACTION EUR-12

INFO OCT-01 EA-07 IO-13 ISO-00 AID-05 CIAE-00 COME-00
EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01
INT-05 L-03 H-01 NSC-05 SS-15 STR-04 CEA-01 /110 W
----------064565 150849Z /20
R 150755Z JUL 77
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 9381
INFO AMEMBASSY BRUSSELS
USMISSION GENEVA
AMEMBASSY PARIS

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USOECD
USEEC
USMTN

E.O. 11652: N/A
TAGS: ETRD, EIND, JA
SUBJECT: MEETINGS BETWEEN US LABOR REPS AND JAPANESE INDUSTRY/
LABOR OFFICIALS ON STEEL TRADE

SUMMARY: JAPANESE INDUSTRY'S FEELING OF GROWING URGENCY OVER STEEL TRADE PROBLEMS HAS BEEN REFLECTED IN PRESS COVERAGE OF THIS WEEK'S MEETINGS BETWEEN US LABOR REPS AND OFFICIALS OF JAPAN'S STEEL INDUSTRY AND METAL WORKERS' UNIONS. WE UNDERSTAND THAT INITIATIVE IN BRINGING UP THE NECESSITY OF AN ORDERLY MARKETING ARRANGEMENT OMA DURING THESE MEETINGS WAS TAKEN BY THE JAPANESE RATHER THAN THE US LABOR REPS.
PUBLICIZED "AGREEMENT" BY JAPANESE INDUSTRY AND UNION OFFICIALS CONCERNING THE NEED FOR AN OMA ARE CONSISTENT WITH THE INDUSTRY'S FEARS OF A U.S. ANTI-TRUST REACTION TO VOLUNTARY RESTRAINT. ANY EVIDENCE OF CONTINUED US INDUSTRY
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PRESSURE FOR AN OMA CAN, OF COURSE, BE USED BY JAPANESE INDUSTRY/LABOR INTERESTS TO INFLUENCE GOJ OFFICIALS WHO ARE STILL RELUCTANT TO CONSIDER A GOVERNMENT AGREEMENT ON STEEL EXPORTS. END SUMMARY.

1. SEVERAL JAPANESE PAPERS HAVE CARRIED ARTICLES DE-
SCRIBING JULY 13 MEETINGS BETWEEN U.S. REPRESENTATIVES

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TO THE US-JAPAN-CANADA METAL WORKERS' CONFERENCE AND (1) KEIDANREN OFFICIALS; (2) TEKKO ROREN (REDERATION OF IRON AND STEEL WORKERS' UNIONS). ACCORDING TO NEWS REPORTS, US REPS. (AFL-CIO INDUSTRIAL UNIONS CHAIRMAN CLAYMAN AND UNITED STEEL WORKERS INT'L. DEPT. CHAIRMAN CLOWES WERE MENTIONED BY NAME) EXPRESSED STRONG CONCERN OVER THE EFFECT OF JAPANESE EXPORTS ON THE US STEEL INDUSTRY AND SAID THAT AN OMA SIMILAR TO THE ONE CONCLUDED ON COLOR TV SETS WILL BE NECESSARY TO CONTROL THIS PROBLEM. JAPANESE INDUSTRY AND LABOR OFFICIALS ARE QUOTED AS HAVING AGREED WITH THIS PROPOSAL; IRON AND STEEL FEDERATION CHAIRMAN INAYAMA SAID THAT AN OMA IS NECESSARY BECAUSE VOLUNTARY RESTRAINT EFFORTS WILL BE BLOCKED BY THE U.S. ANTI-TRUST ACT, AND A TEKKO ROREN REP STATED THAT LABOR AND MANAGEMENT MAY EXERT MORE PRESSURE ON THE GOJ TO CONCLUDE AN OMA.

2. COMMENT: PRESS REPORTS DESCRIBING THESE MEETINGS HAVE PREDICTABLY LINKED THEM WITH EARLIER STATEMENTS ON OMA'S, PARTICULARLY THAT OF US STEEL CHAIRMAN SPEER, IN PORTRAYING AN ATMOSPHERE OF GROWING URGENCY OVER PROBLEMS OF STEEL TRADE. HOWEVER, IT IS OUR UNDERSTANDING THAT, CONTRARY TO THE PRESS REPORTS, THE USE OF AN OMA AS A SPECIFIC REMEDY TO THE PROBLEM OF EXCESSIVE STEEL EXPORT WAS PUSHED HARDER
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BY THE JAPANESE THAN BY THE US REPS. THIS WOULD BE CONSISTENT WITH THE JAPANESE INDUSTRY'S DESIRE TO AVOID TROUBLE THAT MIGHT AFFECT ITS SHARE IN THE US MARKET -- A LOW-PROFILE VRA MIGHT BE PREFERABLE, BUT THERE APPEARS TO BE A GROWING CONSENSUS THAT AN OMA IS UNAVOIDABLE. AS PART OF A CONSENSUS-BUILDING EFFORT ON THIS SUBJECT, THE JAPANESE INDUSTRY IS APPARENTLY TRYING TO DEMONSTRATE THAT SUPPORT FOR AN OMA IS SHARED BY US INDUSTRY AND LABOR INTERESTS AS WELL. SUCH EVIDENCE WILL CLEARLY BE HELPFUL IN JAPANESE BIG STEEL INDUSTRY'S EFFORTS TO INFLUENCE THE GOJ, WHOSE OFFICIALS ARE STILL VARY WARY OF A GOVERNMENT-NEGOTIATED AGREEMENT ON STEEL EXPORTS.
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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TOKYO10630
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Handling Restrictions: n/a
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Office: ACTION EUR
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1843142
Secure: OPEN
Status: NATIVE
Subject: MEETINGS BETWEEN US LABOR REPS AND JAPANESE INDUSTRY/ LABOR OFFICIALS ON STEEL TRADE SUMMARY: JAPANESE INDUSTRY\'S FEELING OF GROWING UR
TAGS: ETRD, EIND, JA, US
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/6930c06a-c288-dd11-92da-001cc4696bcc
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